

OFFICE OF LOGISTICS
PROCUREMENT NOTE NO. 74

19 MAR 1974

Source Selection Justification

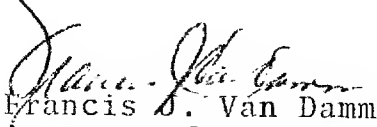
1. The purpose of this Procurement Note is to review and clarify the criteria for submission of source selection justifications to the Agency Contract Review Board.

2. The Agency Contract Review Board has expressed dissatisfaction with the quality of source selection documentation submitted by the Contracting Officers presenting cases before the Board. Members of the Board have expressed reservations concerning the source selection record which they receive for review, yet have been reluctant to delay procurement actions, especially those of a priority nature.

3. Since the ultimate decision on any source selection and award rests with the Contracting Officer, it is incumbent upon him to work in close cooperation with project officers in the procurement planning stage to develop a sound basis for the selection of the source or sources for negotiation and award. A written source selection justification, adequately documented, must be submitted prior to the scheduled meeting of the Board. This selection justification will be a part of the written file of record along with the minutes and other documentation submitted for the purpose of providing the basis for further review if deemed necessary.

4. Source selection justifications which do not meet the standards of good procurement practice cannot be accepted for presentation as an agenda item for the Board. The Chief, Procurement Management Staff, OL, will instruct the Secretary to return the case to the Contracting Officer for further supporting information.

5. While the above action pertains only to those cases coming before the Board, it is imperative that Contracting Officers follow the practice of making sound decisions on source selections and document the file accordingly regardless of the dollar amount. The attachment to this Procurement Note sets forth guidelines for procurements which if practiced will result in better source justifications.


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Attachment to Procurement Note No. 74

1. Some of the problems associated with standards on source selection have been addressed by the Commission on Government Procurement. One of their recommendations suggests that the Government solicit a competitive rather than a "maximum" number of sources in negotiated procurements since the cost of preparing and evaluating a solicitation might otherwise exceed the value of the contract. In other words, seek to "maximize" the competition as opposed to obtaining the maximum amount of competition in negotiated procurements.
2. In any event, certain ground rules should be followed in competitive procurements, particularly where the award is based on factors other than cost.
 - a. First, there must be a common basis for competition; i.e., a clear statement of the Agency component's requirements. These should include the evaluation factors and criteria and their relative importance as they will be used in the evaluating process. These must be clearly stated, so that proposals will be submitted on a common basis.
 - b. Second, there should be a preestablished evaluation plan and evaluation of the various proposals must be on the basis of this established plan.
 - c. Third, award should be made on the basis of the preestablished factors and procedures described by the solicitation and the evaluation plan.
 - d. Fourth, no favored treatment of any kind should be given to any competitor.
3. On the other side of the scale, the procuring activity would retain significant, but defined, discretion.
 - a. First, the procuring activity would have the discretion to define its requirements, to frame the evaluation plan and procedures, and to make subjective judgments under the evaluation plan.
 - b. Second, the activity would have the discretion to make rational judgments about the conduct of negotiations, although these are to be carried out in a meaningful way.

c. Third, the activity would have the discretion to change its requirements, provided it gives notice to all competitors.

d. Fourth, it would have the discretion to change the evaluation plan and procedure, provided of course that there is a reason for the change independent of the effect of the outcome of the competition.

4. Adherence to the above guidelines provides a sound basis for documenting source selection. In those cases where it is impractical or impossible to seek competition, the sole source justification must clearly state the reasons for such determination and the file appropriately documented.